

An Overview of Hendricks County's 2015 Annual Trending

June 9, 2015

The following steps were taken to conduct the 2015 annual trending in Hendricks County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Hendricks County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. Additional re-delineation of some neighborhoods has occurred each year thereafter as further analysis indicated such action was appropriate.

Step 2: Calculation of New Land Values**

As required in the General Reassessment, new land values were established in July, 2011 and have been implemented since that time. No other changes have been made to the land order since that time, except in the neighborhoods where market data indicated the need for an adjustment.

Step 3: Calculation of New Residential Factors & Residential Studies**

Hendricks County implemented the new cost tables from the Department of Local Government Finance. Further, a preliminary ratio study was then conducted for improved residential properties at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Hendricks County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. Townships with less than 5 sales were grouped into combined stratum in order to create a sufficient sample size for ratio study calculations. In this case, Clay and Franklin Townships were combined together because of their location in Hendricks County and similar property types.

Step 4: Updated Commercial & Industrial Improvement Values**

Hendricks County implemented the new cost tables from the Department of Local Government Finance. Industrial Warehouse assessments were revised for this year, and while there is a significant increase in the assessments, this change is supportable by sales data from Hendricks, Boone, and Hancock counties.

****Please note that the period of time from which sales were used for this ratio study was from 1/1/2014 to 2/28/2015. Every attempt was made to ensure a representative sample for each property class. However, given the very low sales activity for vacant commercial property and vacant industrial property in Hendricks County, insufficient usable sales data was yielded even when attempting to expand the sales window back to 2010 for calculating ratio study statistics. 2013 sales were not used in the ratio study (except for improved industrial) because their inclusion did not alter trending factors in any way or increase the available sale pool for those classes with insufficient sales. Those 2013 industrial sales were not time adjusted as values have remained consistent and no adjustment was warranted.**